

**- Exhibit H -**

**TARIFF, BILLING AND PAYMENTS  
FOR THE USE OF THE FACILITIES**

# 1. **TARIFF**

## 1.1 **Tariff Formula**

The Tariff payable by Users for each calendar year shall be calculated pursuant to the following formula:

$$T = \frac{O}{Q} + C + A$$

in which the symbols shall be defined as follows:

**T** = the Tariff expressed in DKK per tonne of Propane and Butane redelivered to the Users and Other Users applicable in such calendar year, cf. Appendix 1 to this Exhibit H, The Tariff – Summary, row 14;

**O** = Operating Costs expressed in DKK in such calendar year as defined and calculated in accordance with Section 1.2 of this Exhibit H, cf. Appendix 1 to this Exhibit H, The Tariff – Summary, row 5;

**C** = Capital Costs expressed in DKK per tonnes of Propane and Butane redelivered to the Users and Other Users applicable in such calendar year as defined and calculated in accordance with Section 1.3 of this Exhibit H, cf. Appendix 1 to this Exhibit H , the Tariff – Summary, row 12;

**A** = Abandonment Costs expressed in DKK per tonnes of Propane and Butane redelivered to the Users and Other Users applicable in such calendar year as defined and calculated in accordance with Section 1.4 of this Exhibit H, cf. Appendix 1 to this Exhibit H, the Tariff – Summary, row 13.

The amounts of the O, C and A elements shall be consistent with the annual accounts prepared pursuant to Section 3.1 of this Exhibit H.

**Q** = total Propane and Butane quantity, expressed in tonnes, which have been redelivered to Users and Other Users in such calendar year, cf. Appendix 1 to this Exhibit H, the Tariff – Summary, row 9.

Notwithstanding the foregoing, if no Propane or Butane has been redelivered in a calendar year the O, C and A elements in such calendar year shall be borne by Users and Other Users who took redelivery of Propane and Butane in the latest calendar year in which redeliveries occurred and who by the end of such calendar year were not subject to Section 12.2.3.4.a) or b) of the Agreement. Each of such Users and Other Users shall bear a pro rata share based on the volume of Propane and Butane redelivered to each such Users or Other Users out of the aggregate volume redelivered to such Users and Other Users in said latest calendar year.

## 1.2 **Operating Costs (O)**

(1) In this Section 1.2 “Facilities” shall not include those elements of Modifications that relate to Degassing Facility 1.

The Operating Costs (O) shall mean all costs incurred after the Calculation Date related to the Facilities other than the costs included in (C) or (A) and shall include expenses of any nature whatsoever, that Transporter has incurred in connection with the safe and appropriate possession and operation of the Facilities including, without limitation:

- expenses for the operation including Transporter's purchase of Fuel Gas, repair and maintenance of the Facilities, their supervision and administration.

For any practical purpose, the total operational costs relating to the Degassing Facilities and preheating units will be split in half to be distributed with one half as Pipeline costs and the other half as Operating Costs hereunder;

- shares of group overheads determined in accordance with generally accepted accounting principles;
  - insurance, including industrial injury insurance, all in accordance with the provisions in Section 1.2 (2) and (3);
  - value-added tax, customs duty or other public taxes or charges imposed on Transporter in connection with the performance of the activities covered by the Pipeline Act in respect of the Facilities, however, subject to Section 1.2 (5) (i) and (ii); and
  - interest and other financing costs other than the costs included in the C element net of any interest income obtained on funds available due to the on account payments of the C and O elements, cf. Section 2.1.
- (2) In consultation with Users, Other Users and/or Other Producers expected to become Users and taking into account good insurance practice in comparable activity, including in relation to the risks and responsibilities characterising the oil and gas industry, Transporter shall be entitled and obliged to take out insurance against certain losses, damage and liability arising from the possession and operation of the Facilities.

Such insurance shall provide cover for loss or damage to the Facilities based on full-value and replacement-cost principles, as well as ordinary cover for liability to third parties and Users and Other Users, including contractual liability and product and pollution liability. Insurance may be taken out subject to customary conditions regarding deductibles and limitations on cover and liability.

- (3) Subject to agreement among Users and Other Users Transporter shall take out insurance to cover risks other than those referred to in Section 1.2 (2).
- (4) Expenses for repairing damage or settling liability claims that are excluded from the existing insurance policies, including expenses resulting from policy conditions on deductibles or limitations on insurance cover, or for which no

insurance has been taken out, shall be included in the expenses referred to in Section 1.2 (1); subject to Section 1.2 (5)(iii) and (iv).

- (5) The following expenses shall not be included in the expenses referred to in Section 1.2 (1):
  - (i) Corporate income tax and hydrocarbon tax and other comparable taxes on the income of Transporter;
  - (ii) Taxes and charges payable by Transporter in accordance with rules established under Section 3a of the Pipeline Act and other comparable taxes and charges;
  - (iii) Expenses arising from damage to the Facilities caused by Gross Negligence/Wilful Misconduct on the part of Transporter, to the extent that such damage is not covered by the insurance policies taken out pursuant to section 1.2 (2) and (3); and
  - (iv) Expenses arising from liability to pay damages to third parties or Users or Other Users due to Gross Negligence/Wilful Misconduct on the part of Transporter, to the extent that such liability is not covered by the insurance policies taken out.

### **1.3 Capital Costs (C)**

- (1) The Capital Costs (C) shall include all capital costs incurred by Transporter to establish the Facilities in a safe and appropriate manner, including interest and repayments of invested capital, adjusted for any capital losses and gains, fees, commissions, breakage costs and other financing costs of whatsoever nature, cf. Appendix 1 to this Exhibit H, Stabilisation Plant - Capital Costs Model , cell C4 and C5.

Costs of establishment shall include all expenses for the design and construction of the Facilities as well as other expenses incurred for or associated with the commissioning of the Facilities, including interest and other financing expenses and costs of the nature described in Section 1.2 in the definition of Operating Costs to the extent such costs are incurred on or prior to the Calculation Date.

- (2) The Capital Costs shall also include all expenses of the nature referred to in Section 1.3 (1) that Transporter has incurred to subsequently establish other facilities than those referred to above if such other facilities are considered part of the Facilities or to implement other modifications including improvements to the Facilities to the extent necessary due to deliveries to the Pipeline of Crude Petroleum with an RVP above twelve (12), however always subject to the Relevant Authority's specific instructions.
- (3) Subject to Section 1.3 (4) the costs referred to in Section 1.3 (1) may, in whole or in part, be financed by raising loans. The financing of the costs of establishing the Facilities shall to the extent commercially reasonable be

arranged in such a way that all loans are repaid by Transporter over a term which reflects the shorter of

- a) the accumulated Propane and Butane lifetime production profile based on the Propane and Butane lifetime production profile for all Licences tied in, or committed to be tied-in to the Transportation System, as forecasted by Transporter in accordance with Section 5.2 of the Agreement provided that the Crude Petroleum from such Licence according to its Magnitude of Reservation has an RVP above twelve (12) (the Accumulated Condensate Production Profile) and
- b) the technical and economic lifetime of the Facilities as estimated by Transporter.

The proportion of the balance of loans raised to finance the cost relating to the establishment of the Facilities outstanding immediately prior to a calendar year to be repaid by Transporter in a Month of such calendar year shall be calculated in accordance with the most recent Accumulated Condensate Production Profile prior to the calendar year in which such Month falls, and the following formula:

$$a = \frac{c}{b}$$

all expressed in tonnes, where

a = the proportion of the outstanding balance of loans to be repaid in such Month;

b = expected production from and including the calendar year in which such Month falls until and including the last calendar year prior to cessation of production according to the Accumulated Condensate Production Profile;

c = the volume of Propane and Butane redelivered in such Month.

The sum of the Monthly repayments in a calendar year shall constitute the annual repayment by Transporter in such year, cf. Appendix 1 to this Exhibit H, Stabilisation Plant – Capital Costs Model , row 14.

Notwithstanding the foregoing, the remaining balance of loans raised to finance the costs shall be repaid in the calendar year immediately following the calendar year in which ninetyfive percent (95%) of the original amount of such loans has been repaid.

- (4) Transporter may provide, in whole or in part, the financing for the costs referred to in Section 1.3 (1) and (2) in the form of equity. In such cases, the terms and conditions regulating Users' and Other Users' payments shall correspond as closely as possible to those applicable had the costs been financed by external loans.

Irrespective of the actual equity capital of Transporter, the equity capital shall for the purpose of calculating Transporter' Capital Costs be determined to be thirty (30) pct. of the total capital, which on average has been tied-up in the Facilities during the calendar year. Equity tied-up for the financing of the Facilities shall carry interest at a rate equal to the average effective rate of interest on the actual loans in place for the financing of the cost relating to the establishment of the Facilities in the same calendar year with an addition of three (3) percentage points, cf. Appendix 1 to this Exhibit H, Guide – Capital Costs, row 5.

#### **1.4 Abandonment Costs (A)**

- (1) Producers and Other Producers shall bear a share of any and all cost incurred by Transporter for the removal or abandonment of the Facilities, including, if applicable, any costs necessary to reinstate the Pipeline to its purpose prior to the establishment of the Facilities, through a contribution to a reservation (Abandonment Costs), cf. Appendix 1 to this Exhibit H, Stabilisation Plant - Abandonment Cost Model, row 4. The removal and abandonment costs shall include all costs for closing down, decommissioning, preparing for a cold phase, cold phase maintenance, and ultimate disposal of the Facilities or parts thereof as well as costs of the nature described under the definition of Operating Costs (O) if incurred or expected to be incurred after the last calendar year in which Propane and/or Butane have been redelivered to Users or Other Users. Transporter shall every year prepare or update an estimate of the removal and abandonment costs.

The contribution to the reservation per tonne Propane and Butane redelivered in any calendar year (A), cf. Appendix 1 to this Exhibit H, The Tariff - Summary, row 13, shall be equal to the estimate of the removal and abandonment costs of the preceding calendar year less estimated income, e.g. income generated through disposal of components of the Facilities, interest on contributions already paid to the reservation after taking due consideration of tax consequence of the reservations, cf. Appendix 1, Stabilisation Plant - Abandonment Cost Model, row 5-8, divided by the estimated volume of Propane and Butane to be redelivered to Users and Other Users, expressed in tonnes, according to the Accumulated Condensate Production Profile and multiplied by the total volume of Propane and Butane, expressed in tonnes, which have been redelivered to Users and Other Users in such calendar year.

## **2. BILLING AND ON ACCOUNT PAYMENTS**

### **2.1 Billing**

Transporter shall each Month on account bill Producers and Other Producers who in Transporter's reasonable opinion can be expected to be Users and Other Users in the following Month an amount covering the estimated costs of the O, C and A element of the Tariff to be paid (O and C) or to accrue (A) by Transporter in the following Month. Each of such expected Users and Other Users will be billed a pro rata share based on the quantity of Propane and Butane expected by Transporter to be redelivered to such Users or Other Users out of the aggregate quantity expected by Transporter to be redelivered to such Users and Other Users in said following Month.

### **2.2 On Account Payments**

Amounts billed shall be paid by each User and Other User on the date specified by Transporter on the bill, however, no earlier than ten (10) business Days after receipt of the bill.

### **3. RECONCILIATION AND PAYMENTS**

#### **3.1 Annual Accounts and Audits**

Transporter shall prepare annual accounts for each calendar year for its activities pursuant to Section 1 (2), of the Pipeline Act.

Producers and Other Producers may submit written comments to and, at their own costs, perform audits of the annual accounts all in accordance with the procedures applicable to Transporter's overall activities pursuant to "Bekendtgørelse om betaling for transport af råolie og kondensat" ("Ministerial Order on Payment for Transportation of Crude Oil and Condensate") established in accordance with the Pipeline Act and issued by the Minister of Energy on April 30, 1984, as amended from time to time.

Any dispute between the Producers and the Transporter relating to the annual accounts shall be settled by the Relevant Authority as soon as possible after the completion of the annual accounts for a calendar year and after Producers' written comments have been forwarded to the Relevant Authority.

#### **3.2 Reconciliation**

Transporter shall calculate the Tariff for a calendar year and, based on the actual quantities of Propane and Butane redelivered to each User and Other User, the Tariff payment of each User and Other User. Any difference between the Tariff payment to be made by a User or Other User and the sum of the Monthly on account payments made by such User or Other User, cf. Section 2.1, shall be billed by Transporter and paid by Transporter to each User and Other User or by each User and Other User to Transporter, as the case may be, within thirty (30) days after the issuance of the bill.



#### **4. OVERDUE PAYMENTS**

Any amount not paid when due pursuant to Section 2.2 or Section 3.2 shall bear interest in accordance with the Danish Overdue Payments Interest Act as amended from time to time.